

Taiwan Business Indicators in March 2009

Press Release

Council for Economic Planning and Development

April 27, 2009

In March 2009, although Taiwan's business cyclical indicators still showed a slowdown in economic conditions, the pace of decline in most components moderated. Among the indicators compiled by the Cabinet's Council for Economic Planning and Development (CEPD), the annualized six-month rate of change of leading index rose 4.6 point, the trend-adjusted coincident index also rose modestly by 0.7% from the previous month, and the overall monitoring indicator flashed the "blue" signal for the seventh consecutive month.

1. **Leading Indicators:** The composite leading index stood at 88.9, up by 1.5% from February. Its annualized six-month rate of change rose by 4.6 point to -13.8%. The increasing leading index mainly came from the positive cyclical movements in SEMI book-to-bill ratio, index of export orders, real monetary aggregates M1B*, stock price index, and index of producer's inventory.

(Note: components marked with an asterisk indicate real terms)

2. **Coincident Indicators:** With revised data, the coincident index stood at 80.3, up by 0.7% from February. Its trend-adjusted index rose modestly by 0.7% to 78.6. The increasing coincident index largely came from the positive cyclical movements in industrial production index, sales index of wholesale, retail, and food services, real manufacturing sales*, and real customs-cleared exports*.
3. **The Monitoring Indicators:** The total score recorded 10 in March, remaining at the same level of February. The overall light signal was flashing the "blue" signal for the seventh consecutive month. The light signals for all the nine components remained unchanged.

~~ The next release is scheduled for May 27, 2009 ~~

Leading Indicators

Seasonally adjusted

	2008				2009		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Composite Index	95.4	93.9	90.8	88.4	86.6	87.6	88.9
Change from preceding month (%)	-3.0	-1.6	-3.3	-2.6	-2.0	1.1	1.5
Annualized 6-month rate of change (%)	-14.8	-16.1	-19.6	-21.5	-22.4	-18.4	-13.8
Change from preceding month (point)	-3.9	-1.3	-3.5	-1.9	-0.9	4.0	4.6
Components							
Index of export orders (2006=100)	114.7	109.2	94.4	89.1	85.4	102.5	104.7
Real monetary aggregates M1B (NT\$ billion)	7,512	7,587	7,647	7,668	7,778	7,995	8,209
Stock price index(1966=100)	6,204	5,043	4,510	4,496	4,475	4,477	4,926
Index of producer's Inventory (2006=100)	120.7	119.7	119.8	114.3	112.3	104.6	112.9 _p
Average monthly overtime in industry and services (hours/month)	8.3	7.7	6.1	4.6	4.6	4.6	4.6 _p
Building Permits * (1000m2)	1,677	1,582	1,531	1,267	1,245	1,142	1,113
SEMI Book-to-Bill Ratio	0.70	0.96	0.97	0.86	0.47	0.49	0.61

Note : 1.p=Preliminary.

2.* Including only housing, mercantile, business and service, industry warehousing.

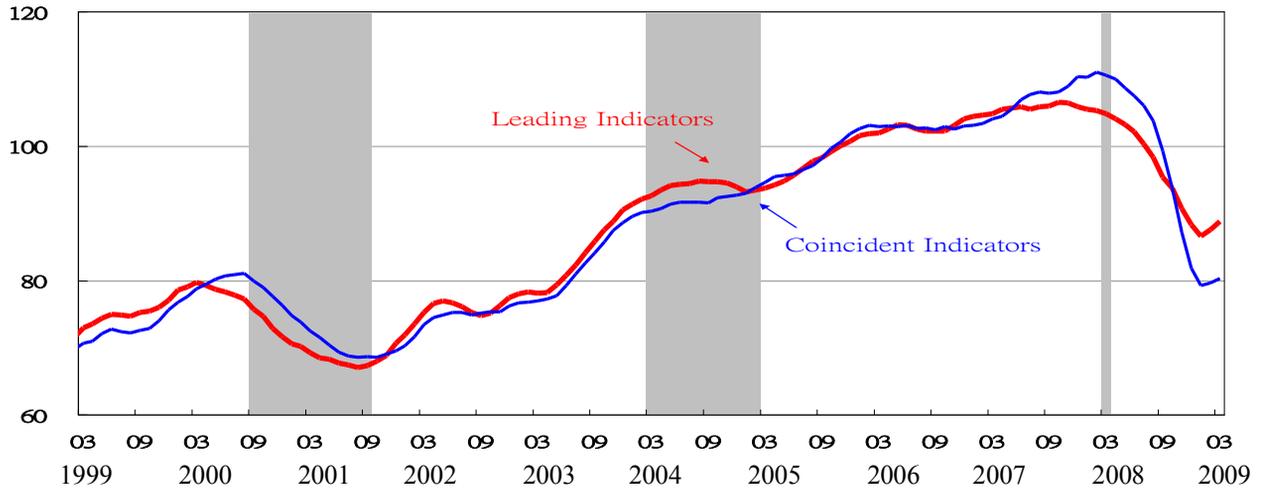
Coincident Indicators

Seasonally adjusted

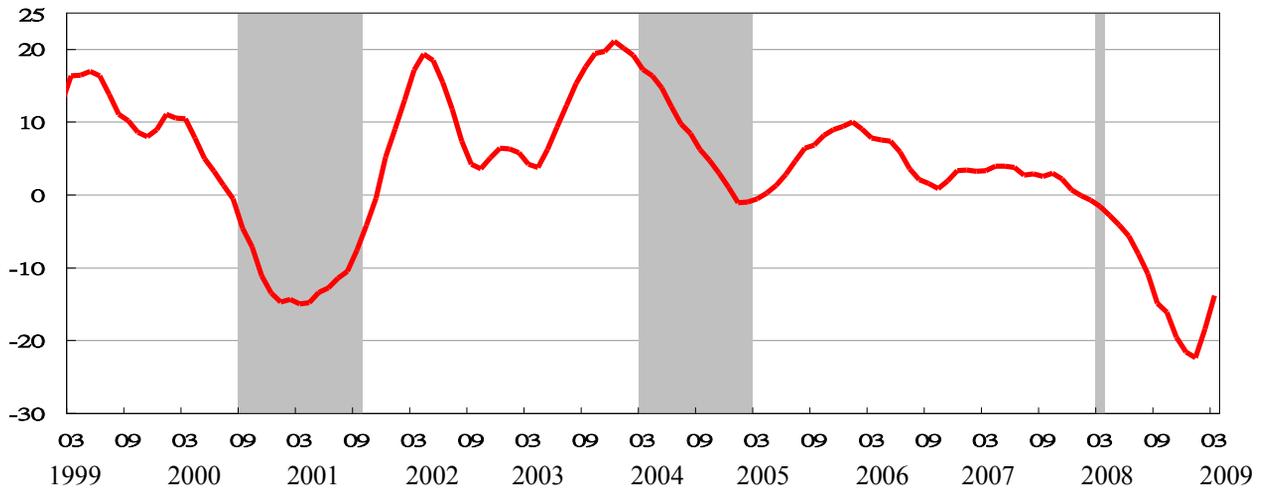
	2008				2009		
	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Composite Index	99.3	93.8	87.3	81.9	79.4	79.7	80.3
Change from preceding month (%)	-4.3	-5.5	-7.0	-6.1	-3.1	0.5	0.7
Trend adjusted index	97.2	91.8	85.4	80.2	77.6	78.0	78.6
Change from preceding month (%)	-4.3	-5.5	-7.0	-6.1	-3.1	0.5	0.7
Components							
Industrial production index(2006=100)	104.9	96.6	84.5	77.8	75.4	77.8	84.7
Electric power consumption (billion kWh)	11.73	10.25	8.96	9.38	7.87	8.92	9.11
Real manufacturing sales (NT\$ billion)	722.4	675.6	598.2	587.4	584.2	597.7	602.4 _p
Sales index of wholesale, retail, and food services (2006=100)	98.1	98.0	94.6	92.4	94.1	95.6	95.4
Nonagricultural employment (1,000)	9,880	9,875	9,852	9,794	9,763	9,723	9,710
Real customs-cleared exports (NT\$ billion)	656.3	636.1	533.4	463.9	496.5	482.7	544.4
Real machineries and electrical equipments imports (NT\$ billion)	212.1	189.9	174.3	145.8	155.7	139.6	145.5

Note : p: Preliminary.

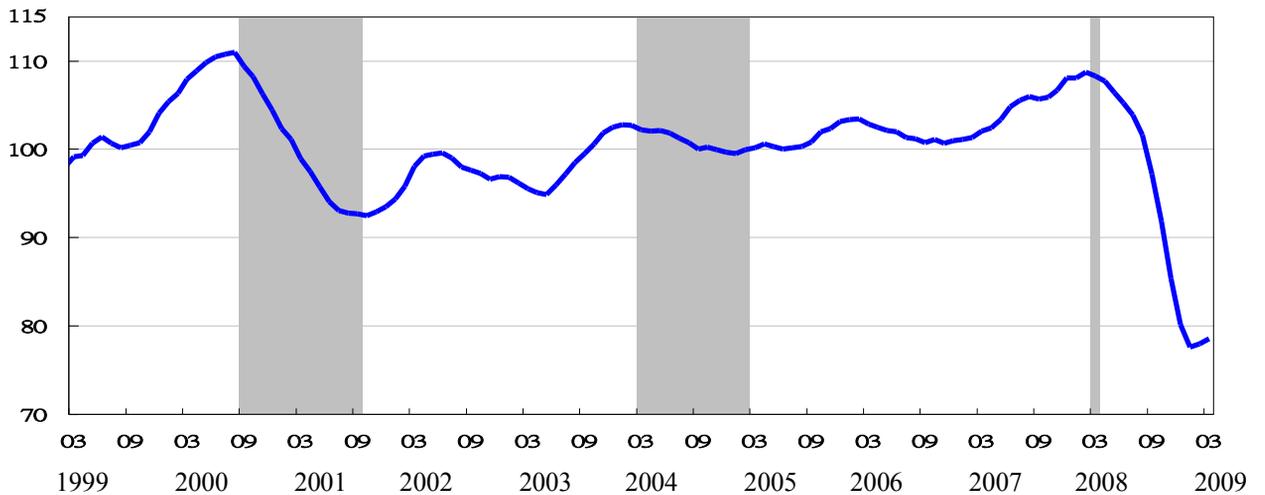
Composite Indices of Cyclical Indicators



Annualized 6-month rate of change of composite leading index



Trend-adjusted composite coincident index



Shaded areas represent recessions.

Monitoring Indications

	2008												2009		
	3	4	5	6	7	8	9	10	11	12	1	2	3		
Total	Light														
	Score	26	27	22	20	16	18	12	12	11	9	9	10	10	
Monetary Aggregates M1B														5.4	
Direct and Indirect Finance														1.4	
Stock Price Index														-41.6	
Industrial Production Index														-26.0	
Nonagricultural Employment														-1.6	
Exports														-27.7	
Imports of Machinery and Electrical Equipment														-34.7	
Manufacturing Sales														-36.5 _T	
Wholesale, Retail and Food Services Sales														-5.8	

● Booming
 ● Transitional
 ● Stable
 ● Transitional
 ▼ Sluggish

*Components are in terms of percentage changes over 1-year span. All components, except stock price index, have been seasonally adjusted.